

## CORRECTIVE ACTION PLAN

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|--|--|--|--|--|--------------------------------------|
| Department of Mental Health (Mental Health)  |  |  |  | Date of Report: October 28, 2011   |                                      |
| High Risk Update - State Overtime Costs  |  |  |  |  |                                      |
| FINDINGS   | RECOMMENDATIONS  | CORRECTIVE ACTIONS TAKEN   | CORRECTIVE ACTIONS TO BE TAKEN   | RESPONSIBLE PARTY  | TARGET DATE                          |
| <b>Finding 1: A Small Group of Employees at Mental Health Worked Significant Amounts of Overtime</b> | <i>To make certain that the patients and consumers are provided with an adequate level of care, and that the health and safety of the employees, patients, and consumers are protected, Mental Health should encourage the Department of Personnel Administration (Personnel Administration)—which is responsible for negotiating labor agreements with employee bargaining units—to include provisions in future collective agreements to cap the number of voluntary overtime hours an employee can work and/or to require the departments to ensure overtime hours are distributed more evenly among staff. One solution would be to give volunteers who have worked the least amount of overtime preference over volunteers who already have worked significant amounts of overtime.</i> | <p>Mental Health has raised the issue of having staff with the least amount of overtime to receive preference over the employees who have worked significant amounts of overtime.</p> <p>Personnel Administration has reached agreements with collective Bargaining Units 18 (California Association of Psychiatric Technicians) and 17 (Registered Nurses); however, the recommendation was not included in these collective bargaining agreements.</p> | <p>Recommendation has been taken into consideration and implemented.</p> | <p>DMH - Cindy Radavsky, Long Term Care Services Division</p> <p>NSH - Dolly Matteucci, Executive Director</p> | <p>October 2010 Action Completed</p> |

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| <b>Finding 2:<br/>Employees Working Excessive Amounts of Overtime May Compromise Health and Safety</b>             | <i>To ensure that all overtime hours worked are necessary, and to protect the health and safety of its employees and patients, Mental Health should implement the Legislative Analyst's suggestion of hiring an independent consultant to evaluate the current staffing model for Mental Health's hospitals. The staffing levels at Mental Health should then be adjusted, depending on the outcome of the consultant's evaluation.</i> | Recommendation has been accepted and Mental Health is working on implementing corrective actions.   | <p>Mental Health entered into a consent judgment with the United States Department of Justice under the Civil Rights of Institutionalized Persons Act on May 2, 2006. Since that time, Mental Health has worked diligently to implement new staffing standards included in the agreement. Once fully compliant, Mental Health will consider reevaluating staffing needs.</p> <p><u>October 2011 Status Update:</u><br/>Mental Health had planned to request an augmentation to the State Hospitals appropriation to fund the study in Fiscal Year 2011-12; however, the date has been revised to Fiscal Year 2013-14. This is necessary due to the various legislative and budgetary actions taken during Fiscal Year 2011-12. The department is undergoing and implementing these actions, which require the elimination of the State Department of Mental Health and the creation of a Department of State Hospitals effective July 1, 2012. Conducting an assessment on state hospital staffing models may prove to be premature given the current efforts to implement required legislative and budgetary actions. By July 1, 2012, management will know the organizational structure for the new Department of State Hospitals and request the appropriate funding to conduct the assessment of staffing models taking into account new organizational structure.</p> | DMH - Jon DeMorales, Operations Division<br><br>NSH - Dolly Matteucci, Executive Director               | Action not Completed - Target date Unknown at this Time. |
| <b>Finding 3:<br/>Agreements Allowed Leave Time Taken to Count as Time Worked in Calculating Overtime Payments</b> | <i>To ensure that the State is maximizing the use of funds spent on patients and consumers, Mental Health should encourage Personnel Administration to resist the inclusion of provisions in agreements that permit any type of leave to be counted as time worked for the purpose of computing overtime compensation.</i>  | <p>Mental Health has implemented California Government Code, Section 19844.1, which became effective March 1, 2009 and changed the methodology for computing overtime. The change in the law was discussed at a Team Meeting.</p> <p>Mental Health has raised the issue at the bargaining team meetings regarding the methodology for computing overtime pursuant to California Government Code, Section 19844.1.</p> <p>Personnel Administration has reached agreements with collective Bargaining Units 18 (California Association of Psychiatric Technicians) and 17 (Registered Nurses). The recommendation was included in these collective bargaining agreements; however, with one exception. When an employee is mandated to work overtime, then only sick leave is excluded.</p> | Recommendation has been taken into consideration and implemented.  | DMH - Cindy Radavsky, Long Term Care Services Division<br><br>NSH - Dolly Matteucci, Executive Director | October 2010<br>Action Completed                         |

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| <b>Finding 4: Weak Internal Controls Allowed Over and Underpayments of Overtime</b>             | <i>To improve internal controls over payroll processing:</i><br><br><i>a) Napa should research the overtime over-and underpayments we noted and make whatever payments or collections necessary to accurately compensate their employees for overtime earned.</i>  | All necessary salary adjustments have been made and sent to the State Controllers Office (SCO) for processing in September 2009.<br><br>Final payments to employees were completed by SCO in December 2009.  | Recommendation has been taken into consideration and implemented.   | DMH - Cindy Radavsky, Long Term Care Services Division<br><br>NSH - Dolly Matteucci, Interim Executive Director | September 2009 Action Completed            |
| <b>(Continued) Finding 4: Weak Internal Controls Allowed Over and Underpayments of Overtime</b> | <i>b) Napa should review, revise, and follow procedures to ensure that their overtime documentation is completed properly; that timekeeping staff are aware of the overtime provisions of the various laws, regulations, and bargaining unit agreements; and that staff who work overtime are paid the correct amount.</i> | To ensure that timekeeping staff are aware of the overtime provisions of the various laws, regulations, and bargaining unit agreements, Napa Personnel Transaction Staff and Program Timekeepers were provided training in February 2009 regarding California Government Code, Section 19844.1, and the Hospital Administrator (HA) advised all Administrative Management Team to carefully review Std. Form 634s and 672s prior to authorization on October 28, 2009. In addition, HA reminded them that their signature indicates review and approval. Also, on November 5, 2009, the Human Resources Manager had a similar discussion at General Management Meeting.<br><br>In January 2010, Napa implemented its process for conducting random audits of overtime. Specifically, Unit sign-in sheets (Unit T-17) for the month of November 2008 were selected for audit. The sign-in sheets were reviewed for accuracy, signatures, and completeness. All overtime documented by Registered Nurses was compared to the Std. form 672, and the warrant issued by SCO. A report was submitted to Executive Policy Team on January 4, 2010, which identified weaknesses and recommendations to ensure that overtime documentation is completed properly and staff who work overtime are paid the correct amount.<br><br>As of October 2010, Napa is in the process of completing another random audit in Program 4, Unit A-10 for the month of April 2010. A report of findings will be submitted to Executive Policy Team once the audit is completed. | Recommendation has been taken into consideration and implemented.<br><br>Napa will continue to conduct random audits of overtime on a regular basis to ensure accurate payment of overtime worked. It is the intent of Napa to complete one audit per quarter.<br><br><u>October 2011 Status Update:</u><br>The random audit in Program 4, Unit A-10, continues to be in progress. Due to the Hiring Freeze, extended illnesses, and lack of resources within the Personnel Department, it has been difficult to complete this task based on other competing priorities. Napa plans to complete this random audit by December 31, 2011. | DMH - Cindy Radavsky, Long Term Care Services Division<br><br>NSH - Dolly Matteucci, Executive Director         | January 2010 Actions Completed and Ongoing |

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| (Continued)<br>Finding 4: Weak Internal Controls Allowed Over and Underpayments of Overtime | c) Mental Health should fully implement Finance's recommendations cited in its report on Mental Health's internal controls dated December 2007. | <p>The following have been implemented per the Department of Finance's recommendations:</p> <p>1. Napa implemented mandatory pre-approval prior to working overtime by the Central Staffing Office.</p> <p>2. Napa has recently changed the process of reporting medical officer of the day (MOD) and 2nd position hours to reduce the likelihood of fraud and abuse. A new reporting form and a pre-and post-approval process have been developed, prior to any payment being issued by Personnel.</p> <p>3. Central Staffing Office continues to develop hospital wide policy and procedures to define responsibility and accountability for personnel practices for overtime.</p> <p>4.Napa implemented the process for conducting random audits of overtime worked to reduce fraud and abuse. If suspected fraud is discovered, Napa will report the activity to the appropriate parties in a timely manner.</p> <p>On October 7, 2010, Administrative Directive 369 - Attendance and Overtime Reporting was substantially revised and approved at the General Management Meeting. The revision included clarifying roles and responsibilities of employees and supervisors regarding pre-authorization Overtime and how to accurately report and verify overtime hours worked.</p> | <p>Recommendations have been taken into consideration and implemented.</p> <p>Napa will continue to develop and implement policies, and procedures to improve controls over timekeeping and payroll practices.</p> | <p>DMH - Cindy Radavsky, Long Term Care Services Division</p> <p>NSH - Dolly Matteucci, Interim Executive Director</p> | January 2010<br>Actions Completed and Ongoing |